

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**FIDUCIARY FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2007

(In Thousands)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS		
Contributions:		
From participants	\$ 686,770	\$ 346,133
From employers	2,149,372	-
From clients	-	65,669
From gifts, bequests, and endowments	-	2,939
From other plans	45,002	-
From other governmental	63	-
Investment Income:		
Net appreciation (depreciation) in fair value of investments	8,488,199	106,704
Interest, dividends, and other	1,513,991	76,745
Securities lending income	603,676	389
Less Investment Expense:		
Investment activity expense	87,447	4,051
Securities lending expense	579,498	377
Net investment income (loss)	9,938,921	179,411
Escheated property	-	56,861
Miscellaneous income	7,307	256
Total Additions	12,827,435	651,270
DEDUCTIONS		
Benefits paid to participants or beneficiaries	4,145,582	88,497
Medical, dental, and life insurance for retirees	988,364	-
Refunds and transfers to other systems	78,434	-
Amounts distributed to clients, claimants, or third parties	-	122,372
Administrative expense	102,538	4,248
Transfers to other funds	85	-
Total Deductions	5,315,003	215,117
Net increase (decrease)	7,512,432	436,153
Net assets - Beginning of fiscal year	60,774,847	1,515,641
Net assets - End of fiscal year (Note 10)	\$ 68,287,279	\$ 1,951,794
Reconciliation of Net Increase in Assets:		
Net increase (decrease) in assets held in trust for pension benefits	\$ 6,948,203	\$ -
Net increase (decrease) in assets held in trust for postemployment benefits	116,399	-
Net increase (decrease) in assets held in trust for deferred compensation participants	447,830	-
Net increase (decrease) in assets held in trust for other purposes	-	436,153
Total net increase (decrease)	\$ 7,512,432	\$ 436,153

The accompanying notes are an integral part of the financial statements.